



***SURFACE TRANSPORTATION BOARD***  
***Washington, DC 20423***

*Office of Economics, Environmental Analysis and Administration*

May 30, 2008

Dear Reader:

I am pleased to announce the issuance of the Final Environmental Impact Statement (FEIS) for Southwest Gulf Railroad Company's (SGR) proposal to construct and operate a rail line in Medina County, Texas. The rail line as originally proposed would extend approximately seven miles from a proposed Vulcan Construction Material's LP limestone quarry to the Del Rio subdivision of the Union Pacific Railroad Company (UP), near Dunlay, Texas. Operations over the rail line would be two round trips or four total train trips per day (two empty trains moving from the UP rail line to the quarry and two loaded trains moving from the quarry to the UP rail line).

The Surface Transportation Board's (Board) Section of Environmental Analysis (SEA) issued a Draft Environmental Impact Statement (DEIS) on November 5, 2004, which contained an in-depth study of four possible rail alignments: the Proposed Route, Alternative 1, Alternative 2, and Alternative 3, and the No-Action Alternative (the use of trucks to transport limestone from the quarry to the UP rail line if SGR's rail line were not built). In response to the DEIS, SEA received approximately 120 written comment letters, as well as oral comments submitted at two public meetings held in Hondo, Texas on December 2, 2004.

After carefully reviewing all comments received, as well as additional information about the project proposal submitted by SGR, SEA decided to prepare a Supplemental Draft Environmental Impact Statement (SDEIS), which was served on December 8, 2006. The SDEIS focused on three specific matters:

- Evaluation of three new eastern alternative rail routes (discussed below) that would avoid potential impacts to the historically sensitive Quihi area under the previously evaluated routes;
- Discussion of extensive additional historic property identification efforts following issuance of the DEIS; and
- Additional noise analysis based on updated operational data indicating that trains may operate during nighttime hours.

The three eastern alternative rail routes evaluated in the SDEIS are (1) the Eastern Bypass Route, (2) the MCEAA Medina Dam Alternative, and (3) SGR's Medina Dam Modified Route. SEA also determined that a more detailed study of three rural historic landscape districts in the area (the Quihi Rural Historic District, the New Fountain Rural Historic District, and the Upper Quihi Rural Historic District) was warranted. This study was completed and included in the SDEIS.

In response to the SDEIS, SEA received 237 written comments.

SEA has prepared this FEIS pursuant to the provisions of the National Environmental Policy Act (NEPA) and related environmental regulations. This FEIS is based upon SEA's independent analysis, consultation with agencies, elected officials, tribes, organizations, and members of the public, and careful consideration of all the comments received on the DEIS and the SDEIS. In addition, this document contains results of additional analysis that SEA conducted to respond to comments, detailed responses to all comments received in this proceeding on the DEIS and SDEIS, and SEA's final recommendations for environmental conditions to mitigate the potential environmental impacts that could be caused by SGR's proposed rail line construction and operation.

Chapters 5 and 6 of this FEIS provide a summary of all the comments received on the DEIS and SDEIS with SEA's corresponding responses. In response to concerns raised during the SDEIS process, this FEIS presents the Modified Eastern Bypass Route, a modification to the Eastern Bypass Route. The modification would follow the same right-of-way as the Eastern Bypass Route, but would circumvent the Weiblen property and Castoville West Subdivision. It would follow property lines to the extent practicable to minimize adverse impacts, and finally connect to the Proposed Route in the southern end of the alignment before connecting to the UP main line.

In this FEIS, SEA concludes that the Eastern Bypass Route (including the Modified Eastern Bypass Route) and the MCEAA Medina Dam Alternative are the environmentally preferred alignments. SGR no longer favors the Proposed Route and supports the Eastern Bypass Route and its modification.

Should the Board authorize construction and operation of the proposed rail line, SEA recommends that it authorize the Eastern Bypass Route, the Modified Eastern Bypass Route, and the MCEAA Medina Dam Alternative, subject to the 91 environmental mitigation measures set out in this FEIS. These conditions, which address a number of environmental resource areas, such as groundwater; surface water and wetlands; traffic safety; noise and vibration; biological resources; air quality; land use; and historic preservation, would minimize the potential adverse environmental effects of the construction and operation of the proposal. One of the conditions requires compliance with a Programmatic Agreement, which has been signed by all the necessary parties, setting out a process for addressing potential impacts to historic sites under any of the Eastern Alternatives.

## **Public Review and Comment**

Written comments on this proceeding are presented in Appendices B and C of this FEIS and have also been posted on the Board's website. For additional information regarding the history of this proceeding, please visit the Board's website. A complete electronic copy of the DEIS, the SDEIS, and the FEIS are available on the Board's website by going to "E-Library," clicking on "Decisions & Notices," and then conducting a full text search for the material for "FD 34284." The environmental correspondence for this proceeding can also be viewed on the

Board's website by selecting "Environmental Matters," then clicking on "Environmental Correspondence," and then searching the correspondence under "FD 34284."

### **Availability of the FEIS**

SEA has distributed the FEIS to the following: all parties of record; interested Federally recognized tribes; appropriate Federal, state and local agencies and elected officials; and persons expressing an interest in receiving a copy of the FEIS or participating in the environmental review process for this proceeding. SEA has also made the FEIS available for review in the Hondo Public Library (1011 19th Street) in Hondo, Texas, the Castroville Public Library (802 London Street) in Castroville, Texas, and the San Antonio Central Library (600 Soledad) in San Antonio, Texas. The entire document is also available on the Board's website at [www.stb.dot.gov](http://www.stb.dot.gov).

### **Next Steps**

Issuance of this FEIS completes the Board's environmental review process. The Board will now make a final decision on the proposed project. In the interest of bringing this matter to closure, the Board will act as promptly as possible.

In making its final decision on the proposed project, the Board will consider the entire environmental record, including all public comments, the DEIS, the SDEIS, the FEIS, and SEA's final recommended mitigation. No project-related construction may begin until the Board's final decision has been issued and has become effective. Parties who wish to file an administrative appeal of the Board's final decision may do so in writing within 30 days from the publication of the notice of the FEIS. SEA anticipates that EPA will publish its Notice of Availability of the FEIS in the Federal Register on June 6, 2008 and that the deadline for filing administrative appeals will be July 7, 2008.

SEA appreciates the efforts of all interested parties who reviewed and commented on the DEIS and the SDEIS. Thank you for your interest and participation in the environmental review process.

Sincerely,



Victoria Rutson  
Chief  
Section of Environmental Analysis